

**Treasurer Zach Conine**  
*Chair*



**State of Nevada**  
**College Savings Board of**  
**Trustees**

***Members***  
Donna Velez  
Lisa Cano Burkhead  
Michael Rankin  
Robin Hager

**TO:** Governor Lombardo and Members of the Nevada State Legislature

**FROM:** Board of Trustees of the College Savings Plans of Nevada

**DATE:** March 31, 2025

**SUBJECT:** Nevada Prepaid Tuition Program Annual Report

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Pursuant to NRS 353B.170, the Board of Trustees of the College Savings Plans of Nevada (“the Board”) is required to submit an annual report of the Nevada Prepaid Tuition Program (“the Report”) to the Governor and the Legislature. Pursuant to statute, the Report must include an accounting of the Trust Fund and a description of the financial condition of the Trust Fund at the close of each fiscal year, including, without limitation, a statement of projected receipts, disbursements and operating costs of the Trust Fund. The Report is required to be submitted to the Governor and the Legislature by March 31 each year.

Due to circumstances outside the control of the Board of Trustees of the College Savings Plans of Nevada and the State Treasury, the Fiscal Year 2024 Audit and Actuarial Study of the Nevada Prepaid Tuition Program are not yet complete. The Audit and the Actuarial Study contain relevant information to the meet the statutory requirements of the Report, notably, the description of the financial condition of the Trust Fund at the close of the fiscal year.

The Report herein contains the Prepaid Tuition Program information completed to date for FY24, such as enrollment and usage data. Once the Audit and Actuarial Study are complete, an updated version of the Report will be submitted.

101 N. Carson Street, Suite 4  
Carson City, Nevada 89701  
775-684-5600

# NEVADA **P**REPAID **T**UITION

## Annual Report

Office of Nevada State Treasurer Zach Conine

FY24

July 1, 2023 – June 30, 2024

**Zach Conine**  
*State Treasurer*



**STATE OF NEVADA  
OFFICE OF THE STATE TREASURER  
NEVADA PREPAID TUITION PROGRAM**

March 31, 2025

Dear Governor Lombardo and Members of the Nevada Legislature:

Enclosed please find a copy of the Nevada Prepaid Tuition Program's Fiscal Year 2024 Annual Report as required pursuant to NRS 353B.170.

Since 1998, the Nevada Prepaid Tuition Program has helped families take control of rising tuition costs by purchasing in-state tuition at today's rates for use in the future. In Fiscal Year 2024, the Treasurer's Office celebrated the Program's 25th enrollment period and established 295 new Prepaid Tuition contracts, which brought the program's total enrollment to 23,922 children. The Program continues to be self-sufficient, requiring no contribution from the State's General Fund.

The Nevada Prepaid Tuition Program is offered by the Board of Trustees of the College Savings Plans of Nevada and administered by the Nevada State Treasurer's Office. The Program offers a variety of Prepaid Tuition contract levels from community college to university, or a combination of both, as well as flexible payment plans designed to meet the diverse needs of Nevada families.

I look forward to sharing the future successes of this program with you and further assisting Nevadans plan for, save for, and pay for postsecondary education.

Sincerely,

A handwritten signature in black ink, appearing to be "Zach Conine", written over a horizontal line.

Zach Conine  
Nevada State Treasurer

1 State of Nevada Way  
4<sup>th</sup> Floor  
Las Vegas, Nevada 89119  
NVPrepaid.gov

NEVADA  
**PREPAID TUITION**

(888) 477-2667 Toll Free  
(702) 486-2025 Telephone  
(702) 486-3246 Fax  
[PrepaidTuition@NevadaTreasurer.gov](mailto:PrepaidTuition@NevadaTreasurer.gov)

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## OVERVIEW

The Nevada Prepaid Tuition Program (“Program”) provides a convenient and affordable way for Nevada families to save for college through an IRS Qualified Tuition Program (QTP) option that allows purchasers to lock in the cost of in-state higher education credit hours today, for use in the future. The Program differs from the other Nevada state-sponsored 529 College Savings Plan options because it allows parents, grandparents, extended family, and friends to purchase a contract for a fixed amount of in-state undergraduate credit hours for a child to use when they graduate from high school.

The Program offers five tuition plans and four payment options. Contract purchasers choose a plan and a payment option for a specified beneficiary that meets their personal needs and budget. When the beneficiary enrolls in a postsecondary institution, the Program pays the contract benefits (college tuition costs) directly to the institution on the beneficiary’s behalf. Contract benefits are based on in-state college tuition rates at Nevada public colleges but can be applied to tuition costs at any public or private institution of higher education, either in-state or out-of-state, that accepts the free application for federal student aid (FAFSA).

The Program began operating in 1998 following creation by the Nevada Legislature in 1997 under NRS 353B. The Program is administered by the State Treasurer’s Office under the direction of the Board of Trustees of the College Savings Plans of Nevada (“Board”). During Fiscal Year 2024 (“FY24”), the Board consisted of five voting members:

- State Treasurer, Chair;
- Director of the Office of Finance or his/her designee;
- Chancellor of the Nevada System of Higher Education (NSHE) or his/her designee; and
- Two members appointed by the Governor.

In accordance with NRS 353B, the Board is required to contract with a certified actuary and a certified public accounting firm to perform annual actuarial valuation and financial audits. For FY24, the Board contracted with Gabriel Roeder Smith & Company to conduct the actuarial valuation study, and Eide Bailly LLP to conduct the audit.

## FINANCIAL STABILITY

The Program is not supported by the full faith and credit of the State of Nevada, nor is it guaranteed by the State’s General Fund. Accordingly, the Board continuously evaluates and takes necessary measures to maintain the financial stability of the Program. In FY24, the Board contracted with investment firms, Garcia Hamilton, Glenmede, and Vanguard to provide professional investment services. The Board also contracted with an investment consultant, Meketa Investment Group Inc., to monitor investments and provide consultation and reporting to the Board. Investments were made in accordance with the Program’s Investment Policy, which was approved by the Board and posted on the Nevada Prepaid Tuition website.

During FY24, the Board also reviewed and upheld the Prepaid Tuition funding guidelines with the objective of maintaining assets in excess of tuition liabilities based on a funding target of 120% and recommendations of actions to take when the funding status was over or under the 120% target.

These measures sustained the financial stability of the Program during FY24, and resulted in:

- A rate of return on Actuarial Value of Assets from Actuarial Valuation TBD.
- Program's total assets TBD from financial statements
- Program's total liabilities TBD from financial statements
- Program's total operating expenses TBD from financial statements
- Program's net position TBD from financial statements
- A funded status from Actuarial Valuation TBD.

## FINANCIAL OBJECTIVES

The FY24 financial objectives of the Board remained unchanged from previous fiscal years and incorporate the following standards:

- Require the fair value of the Program's investments and assets to be greater than or equal to the actuarial value of all obligations, including future tuition benefits and all future administrative expenses and liabilities associated with operating the Program;
- Establish an appropriate investment portfolio of assets to accumulate an amount sufficient to pay future tuition benefits and administrative expenses associated with all contracts; and
- Establish contract plans and payment options that offer value, flexibility, and affordability for Nevada families.

## CONTRACT PRICING

As in previous years, prices for the FY24 enrollment period were established based on three key factors:

1. Future tuition increases assumptions and published rates from the Nevada System of Higher Education (NSHE).
2. Assumed rate of return on investments.
3. Historical utilization of credit hours by participants in the program.

Based on these factors, the adopted funding guidelines, and the current funded status of the Program, the Board was able to keep some of the contract rates for FY24 the same as the prior fiscal year.

## BENEFIT USAGE

When a contract beneficiary goes to college, benefits can be used at any eligible educational institution nationwide. Approximately 4,402 tuition distributions were made to 293 different qualified institutions in FY24. Benefits used in FY24 totaled \$12,439,603, which was a slight increase (4.9%) from the prior fiscal year. Of the total benefits paid out, \$7,799,938, or 62.7%, were paid on behalf of students attending Nevada System of Higher Education institutions. University of Nevada, Reno continues to remain the school with the largest distribution amount in FY 24 (37.8% or \$4,699,973).

Noted below is the three-year historical payment summary of payments made to the Nevada System of Higher Education institutions (NSHE), and the amount that has been paid to institutions of higher education across the country.

### Program Payments by Year

	FY24	FY23	FY22
In-state (NSHE)	7,799,938	\$7,519,451	\$7,866,977
Private / Out-of-State	4,639,665	\$4,338,515	\$4,167,710
<b>TOTAL</b>	<b>12,439,603</b>	<b>\$11,857,967</b>	<b>\$12,034,687</b>

As of June 30, 2024, a total of 5,355 students have utilized 100% of their contract benefits. Of those depleted contracts, 79.6% had a 4-year university plan.

## ENROLLMENT STATISTICS

The FY24 enrollment period ran from November 1, 2023 to April 15, 2024 and welcomed 295 new children into the Program. To better educate families about the Program and to grow enrollment, in FY24 the Treasurer’s Office (“Office”) utilized various forms of social media, news interviews, webinars, and school and community events to continue its outreach efforts. Furthermore, the Program celebrated its 25<sup>th</sup> enrollment period this fiscal year. To honor the Program’s anniversary, and to thank participants for their continued support and participation, a random drawing was done to award one new enrollee during this time a fully paid four-year university contract, as well reimbursing an existing contract holder the amount paid for their contract.

General statistics are self-reported from participant enrollment forms and is only shared in aggregate. Highlights of the information reported during FY24 open enrollment are noted below.

**Plan Chosen:** The four-year university plan in FY24 continued to be the most popular plan choice, with 70.2% of purchasers choosing this option, a small increase of 6.4% over the prior fiscal year. The second most popular choice for purchasers was the two-year university plan, which represented 10.9% each of all contracts sold.

**Payment Option Chosen:** Although a small decrease (4.7%) from the prior fiscal year, the lump-sum payment option continued to be the most popular option in FY24, representing 45.4% of participants’ payment choices. The five-year, ten-year, and extended monthly installment payment options made up the remaining 52.3% of contracts purchased. Among new enrollees choosing a monthly payment option, 13.1% chose to make a down payment, thereby lowering their monthly payments for the contract they purchased.

**Beneficiary Age at Enrollment:** Newborn enrollments remained the single highest percentage of contracts sold (26.4%), which gives families the longest time to pay for and benefit from college tuition increases over the years, by locking in tuition when their child is under a year old. One-year olds were the second highest percentage (7.5%) of contracts sold, followed by first graders, with 7.1%.

**Referral Source:** In FY 24, 29.8% indicating they were an existing customer, followed by 25.1% of the purchasers indicating that they heard about the program from a friend or relative. The Prepaid website was the third highest percentage, with 16.9%.

The complete collection of enrollment information is contained in Appendix D.

## PROGRAM ENHANCEMENTS

Over the years, various enhancements have been implemented to promote the Program as well as add value and flexibility. In FY24 the Program continued hosting more in person events in addition to continuing its virtual outreach. Staff spent time and efforts educating Nevada about the benefits of the Program through webinars, social media, news interviews, and various school and community events throughout the state. They also went on a rural tour and visited various schools in Northeast Nevada, to ensure that all families across the state have access to the resources available through the Treasurer's Office.

In FY24, the Program continued to be a part of the NVigate brand for the overall College Savings division of the Treasurer's Office.

Future objectives and strategies for the Program will continue to include ongoing evaluation of the following:

- Factors and assumptions used to set contract prices to ensure the Program remains affordable for Nevada families.
- Position and assumptions used for establishing the asset allocation of the Trust Fund portfolio to ensure its long-term financial viability in a cyclical investment environment.
- Continued assessment of the overall Program to identify ways to better provide self-servicing options online to existing contract holders.
- Enhancement of outreach efforts to allow Prepaid Tuition to be more inclusive in the promotion of 529 College Savings Plan offerings in webinars, and to bring more awareness to the overall NVigate brand.

## SUMMARY OF ACTUARIAL VALUATION REPORT

To Be Provided

## SUMMARY OF INDEPENDENT AUDITOR'S REPORT

To Be Provided

## SUMMARY OF INVESTMENT REPORTS

As stated previously, the Board contracts and regularly meets with professional investment managers and consultants to invest assets of the Higher Education Tuition Trust Fund. In FY24, the Board maintained its investment policy and asset allocation from the previous fiscal year. The portfolio's asset allocation is comprised of 30% fixed income, 20% covered calls, and 50% equities. The equities portion of the portfolio is further allocated to three separate funds: Large Cap, Mid Cap, and Small Cap. The actual allocations deviated slightly from the target allocations; however, all were within acceptable variance levels. The investment report is provided in Appendix C of this document.

Points of interest for investments include the following:

- ◆ The market value of assets increased from \$391,995,913 to \$440,999,850 in FY24, an increase of \$49,003,937, or 12.5% from the prior fiscal year.

- ◆ At the end of FY24, the Program's portfolio net rate of return on a Market Value basis was 2.1%, which was slightly higher (.5%) from the benchmark of 1.6%.
- ◆ The Program's three-year net rate of return was 4.7%, just slightly above the target benchmark of 4.4%.

## APPENDIX A- ACTUARIAL VALUATION REPORT

To Be Provided

APPENDIX B- INDEPENDENT AUDITOR'S REPORT

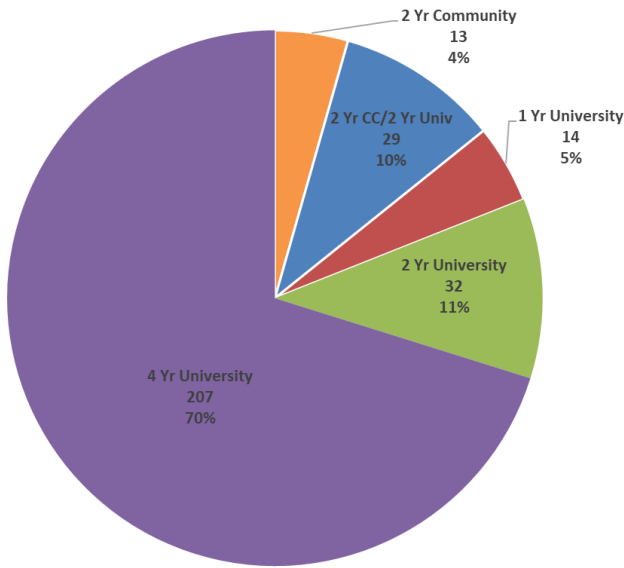
To Be Provided

## APPENDIX C- MEKETA INVESTMENT GROUP PERFORMANCE REVIEW

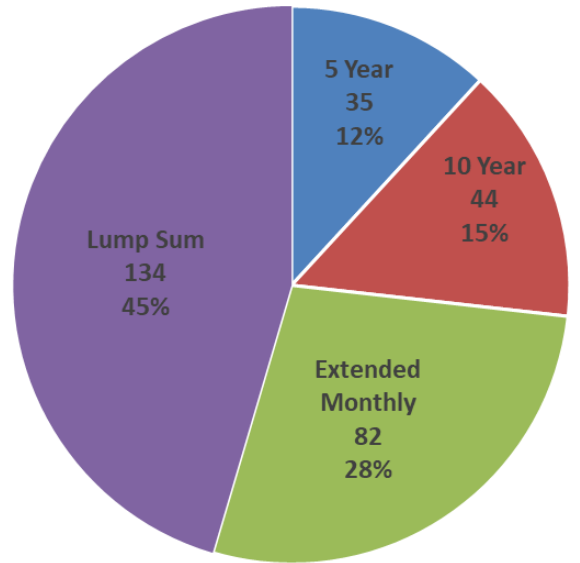
## APPENDIX D- ENROLLMENT STATISTICAL CHARTS

# NEW ENROLLMENTS FISCAL YEAR 2024

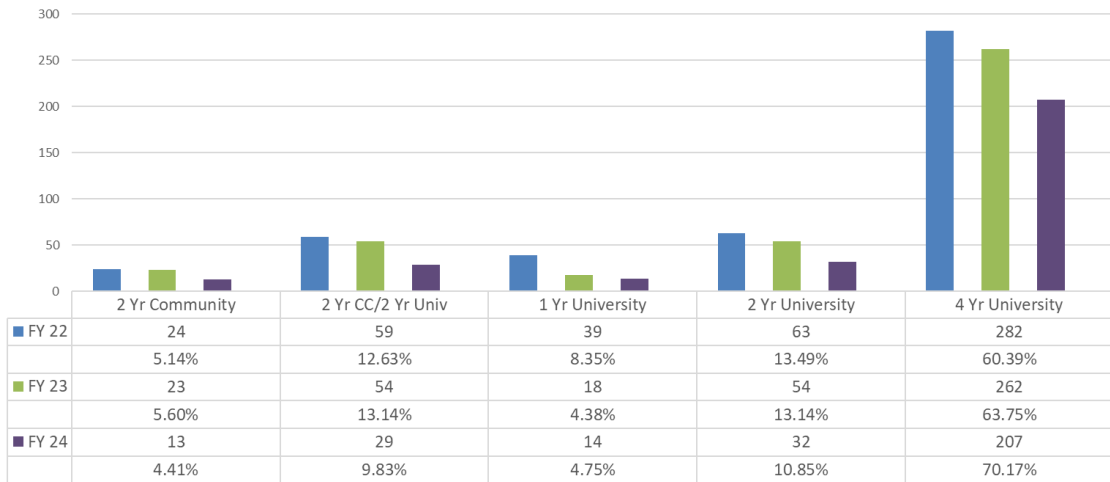
## Plans



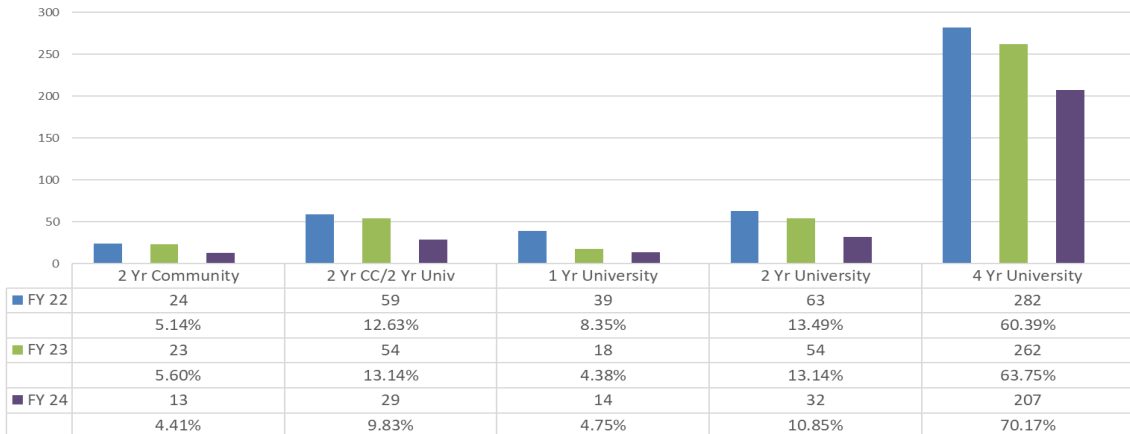
## Payment Options



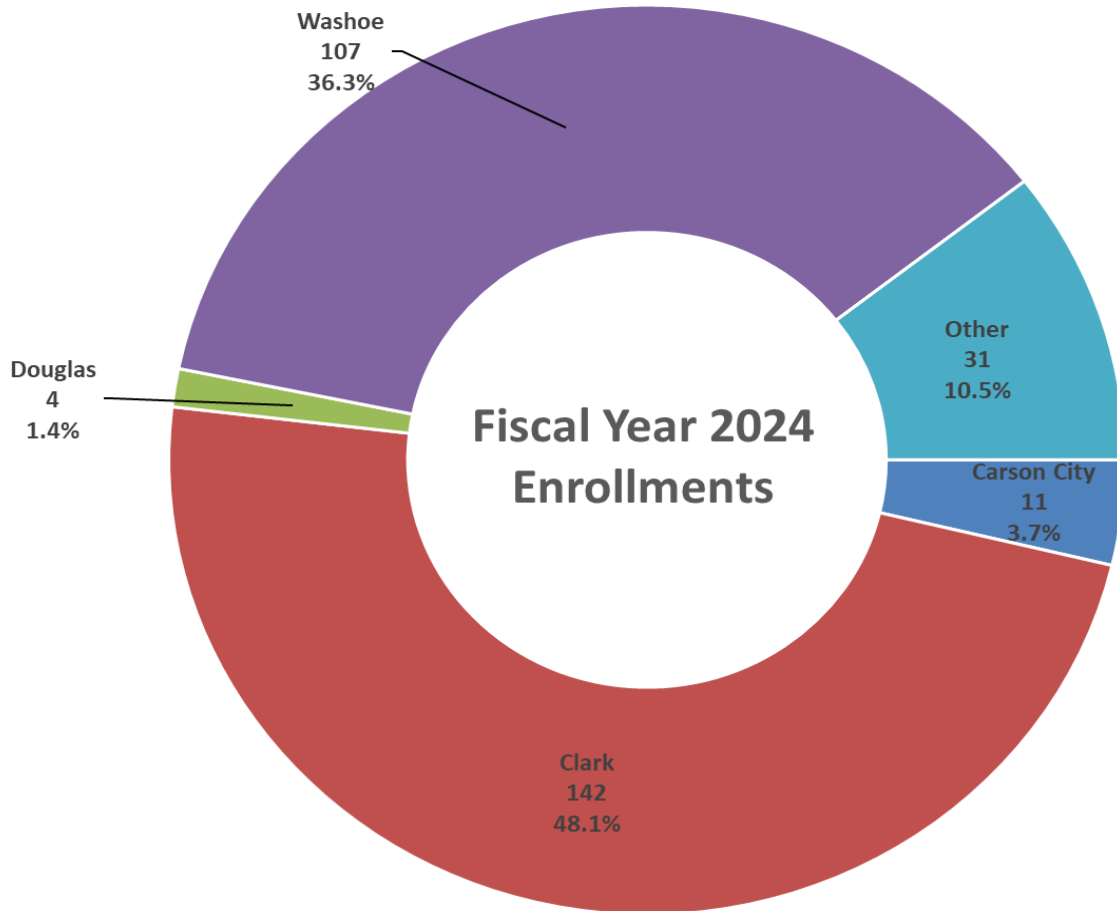
### 3 Year Comparison Plans Chosen



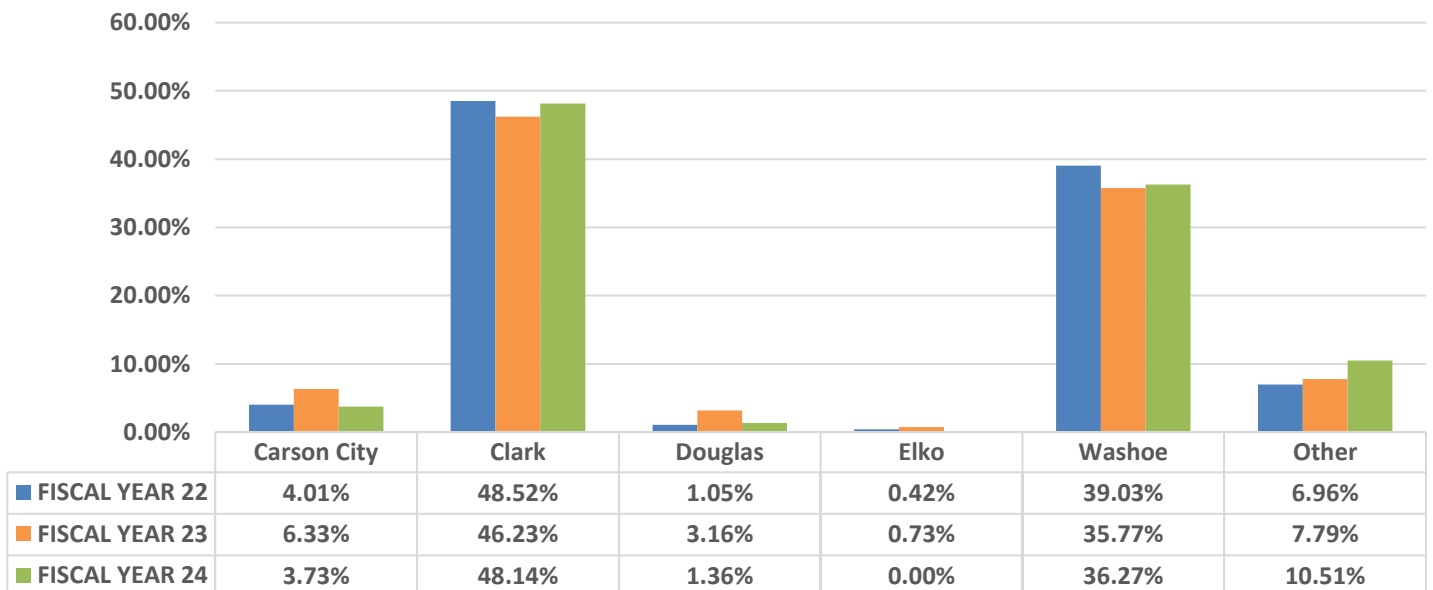
### 3 Year Comparison Plans Chosen



# CONTRACTS BY COUNTY

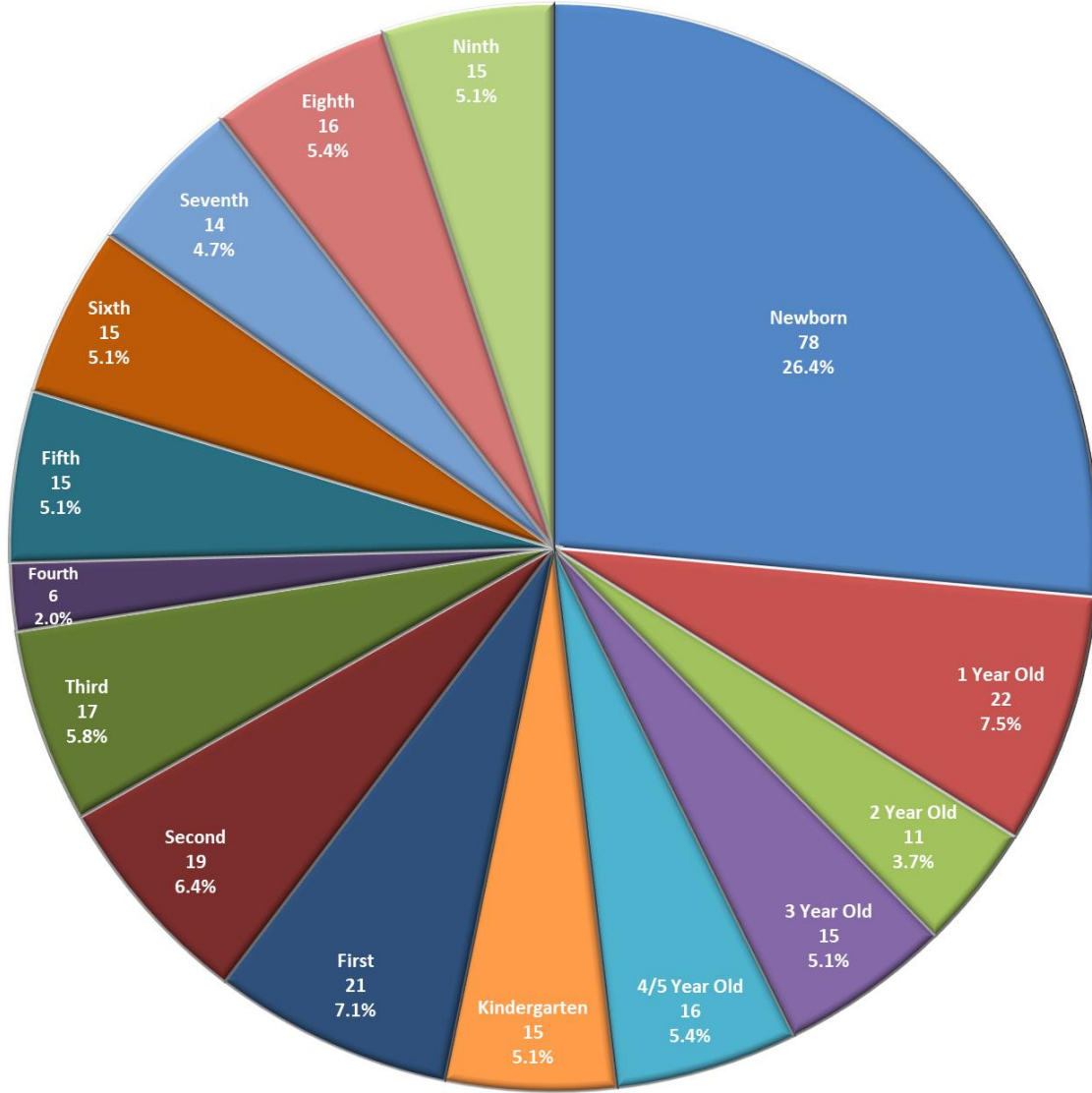


## Three Year Comparison

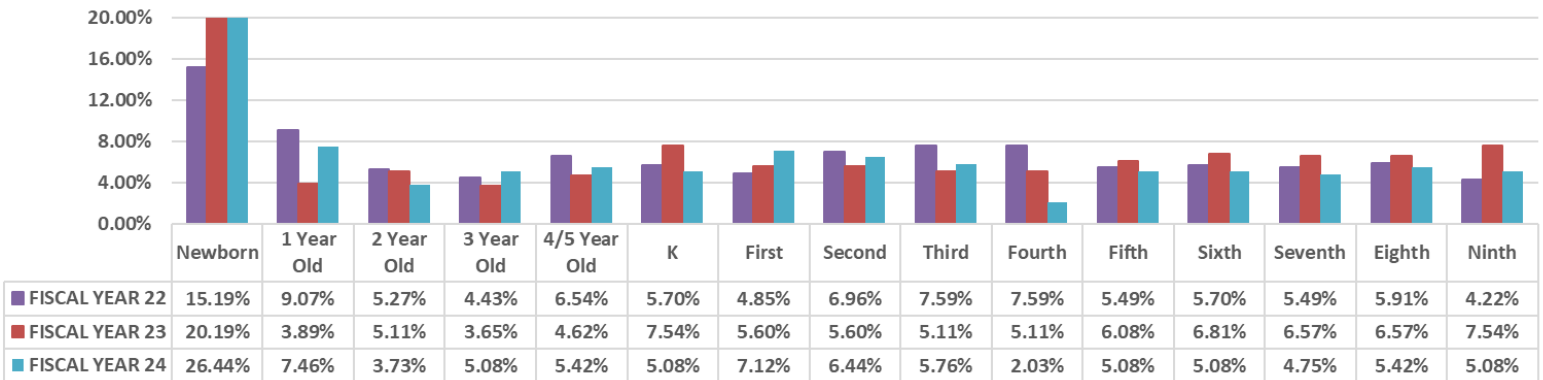


# BENEFICIARIES AGE/GRADE

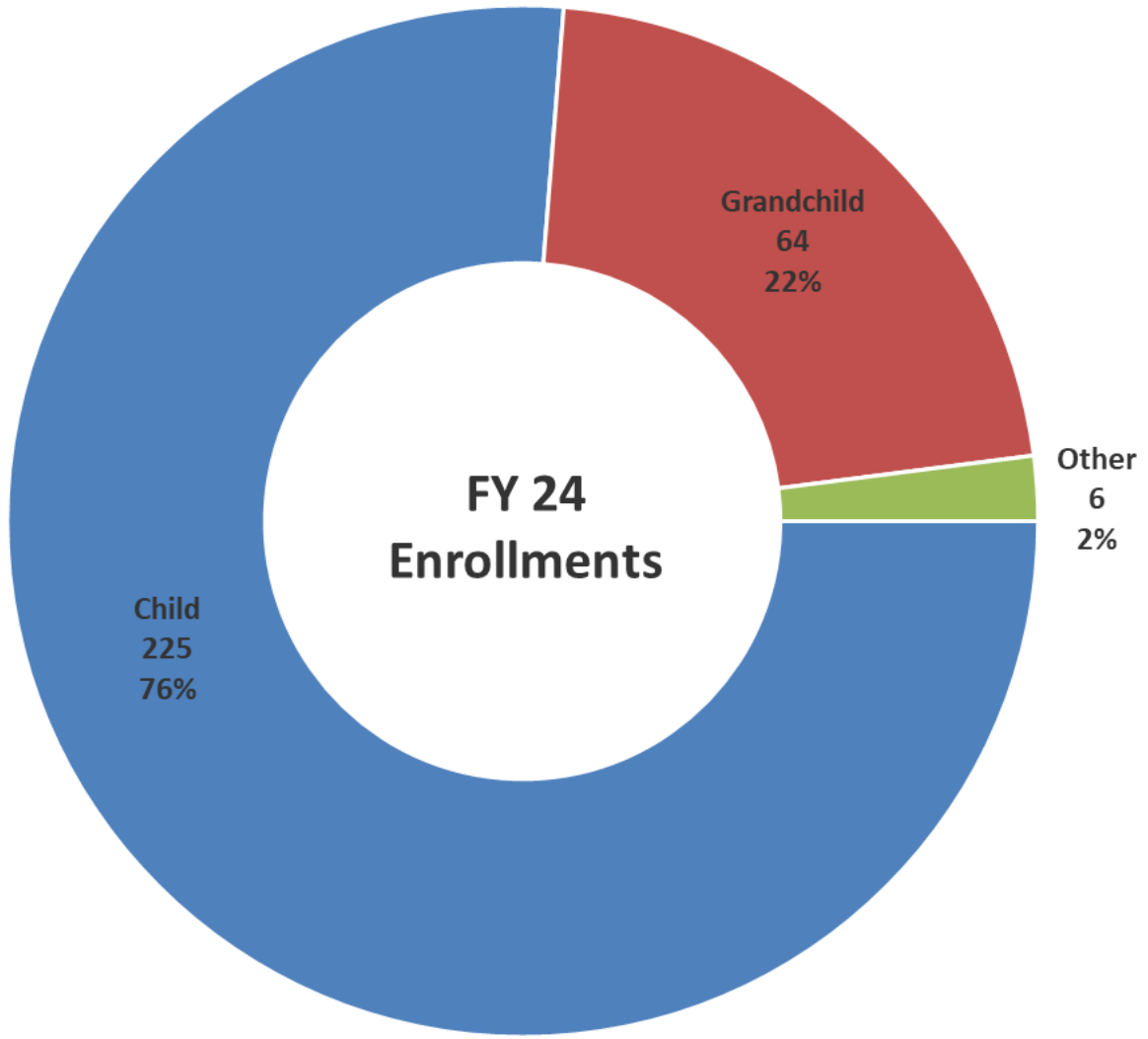
## Fiscal Year 2024 Enrollments



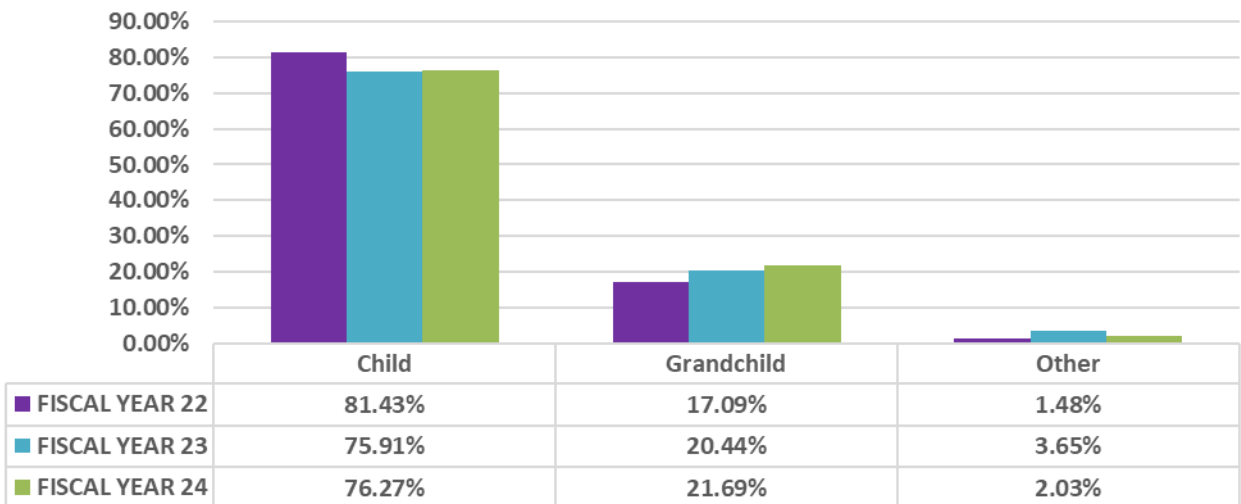
## Three Year Comparison



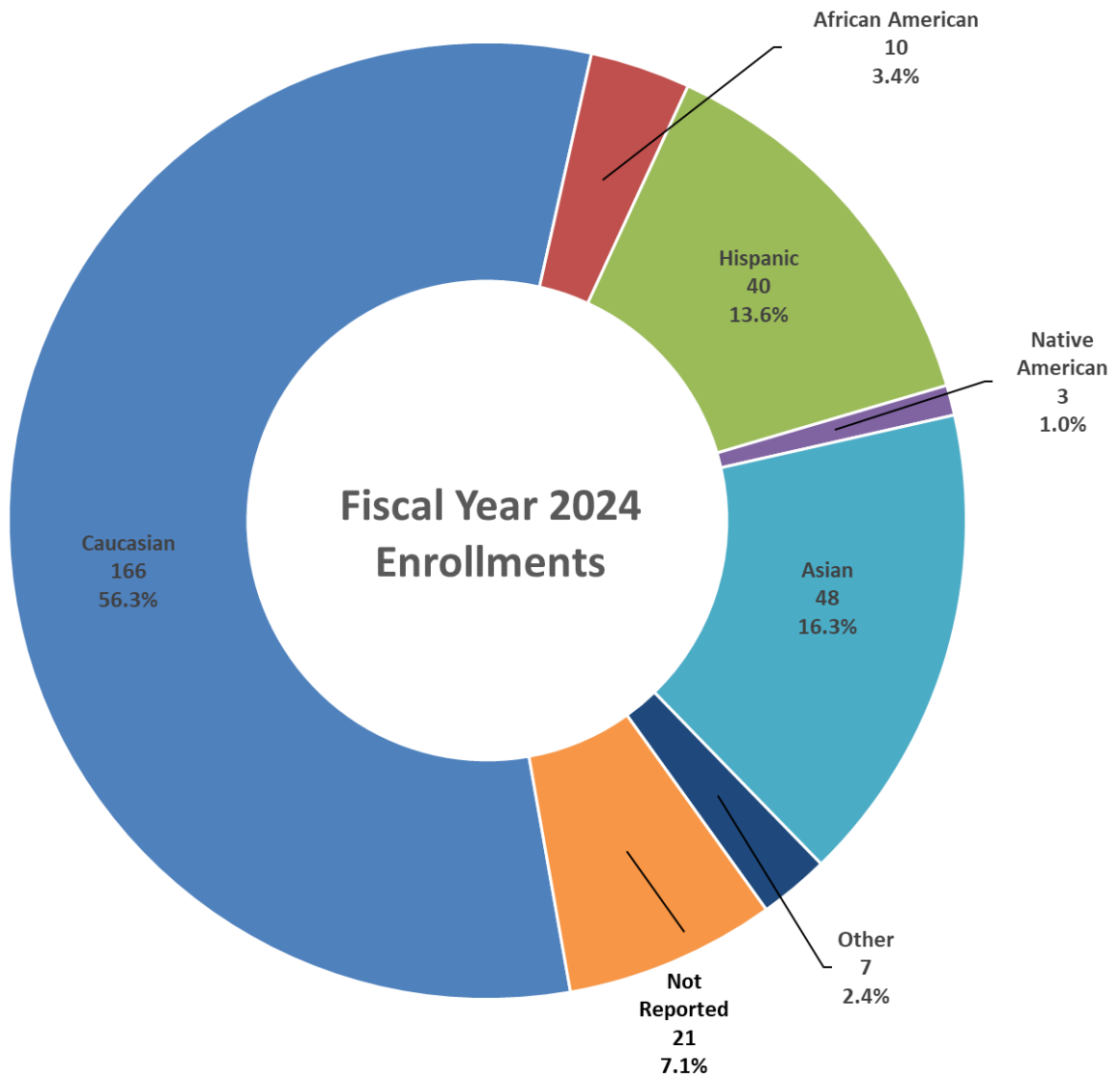
# BENEFICIARY'S RELATIONSHIP TO PURCHASER



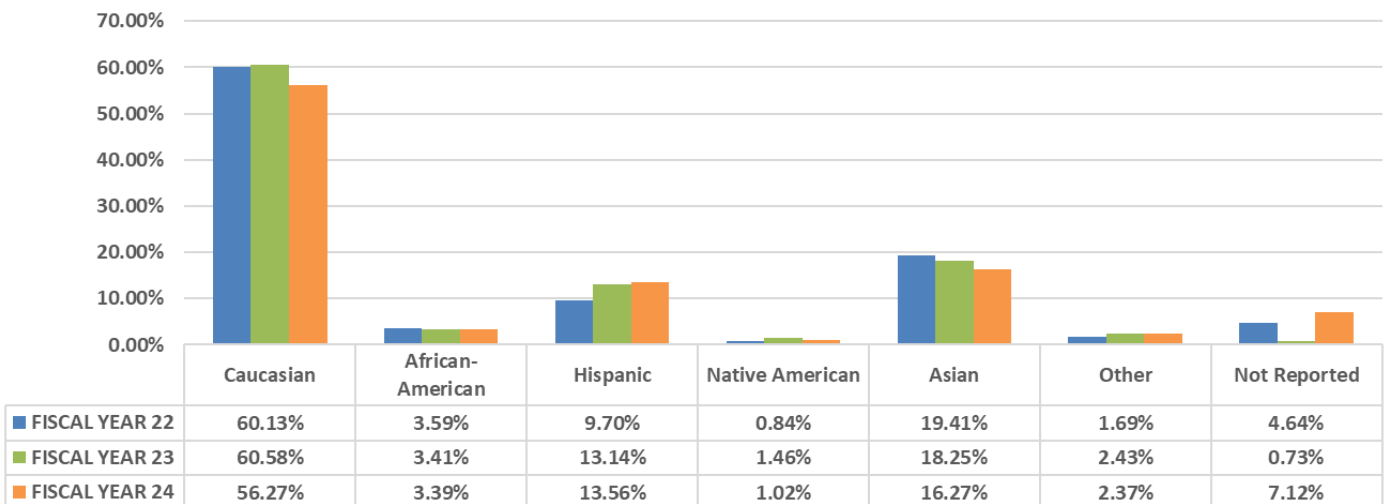
## Three Year Comparison



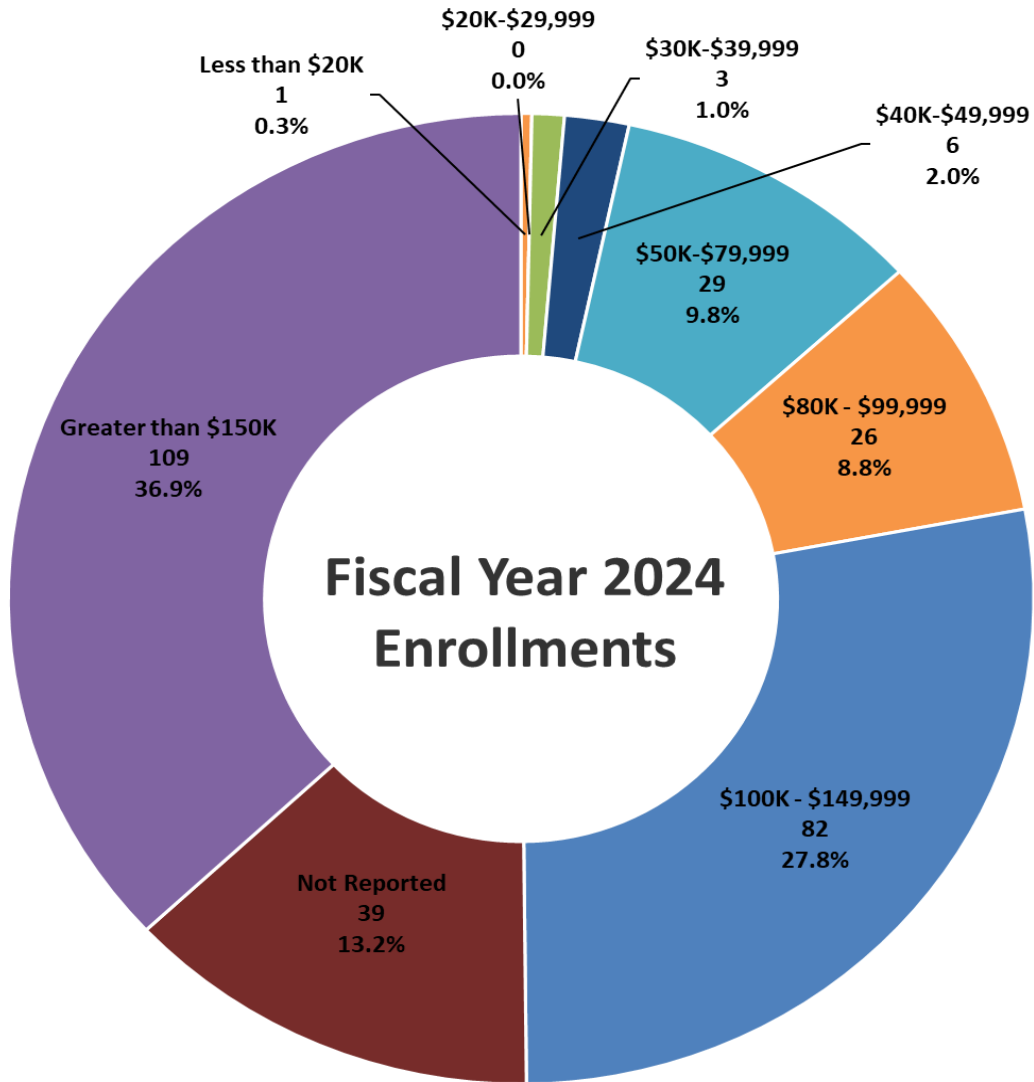
# RACE OF BENEFICIARY



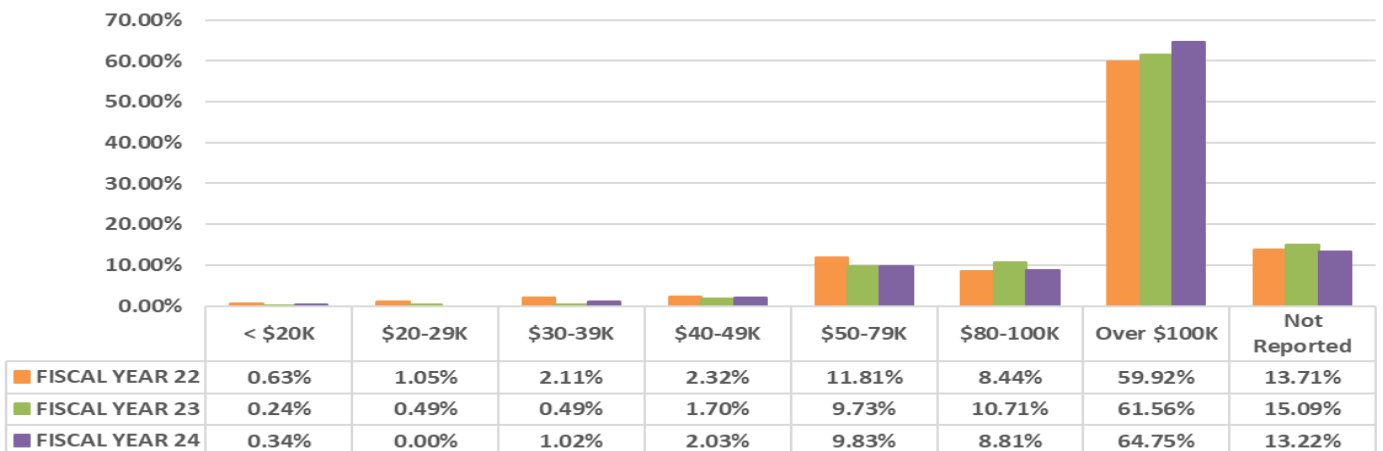
## Three Year Comparison



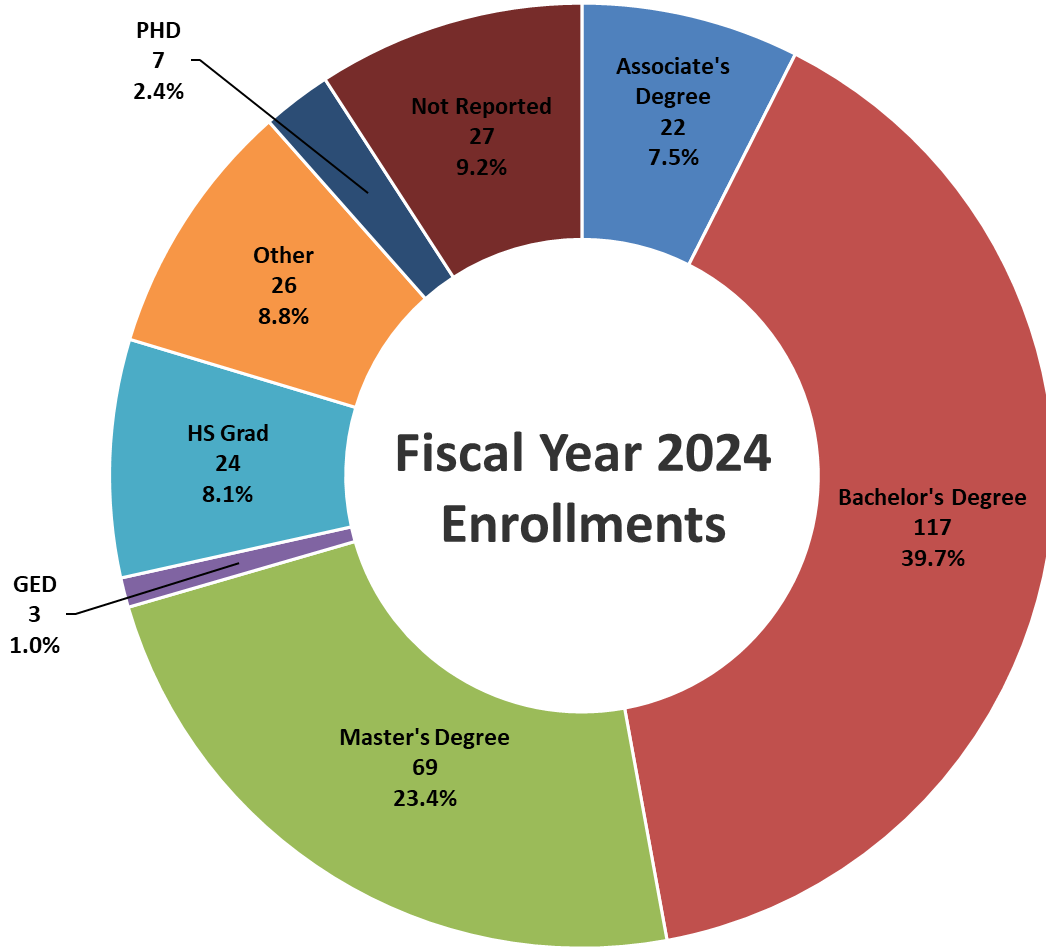
# PURCHASER'S INCOME LEVEL



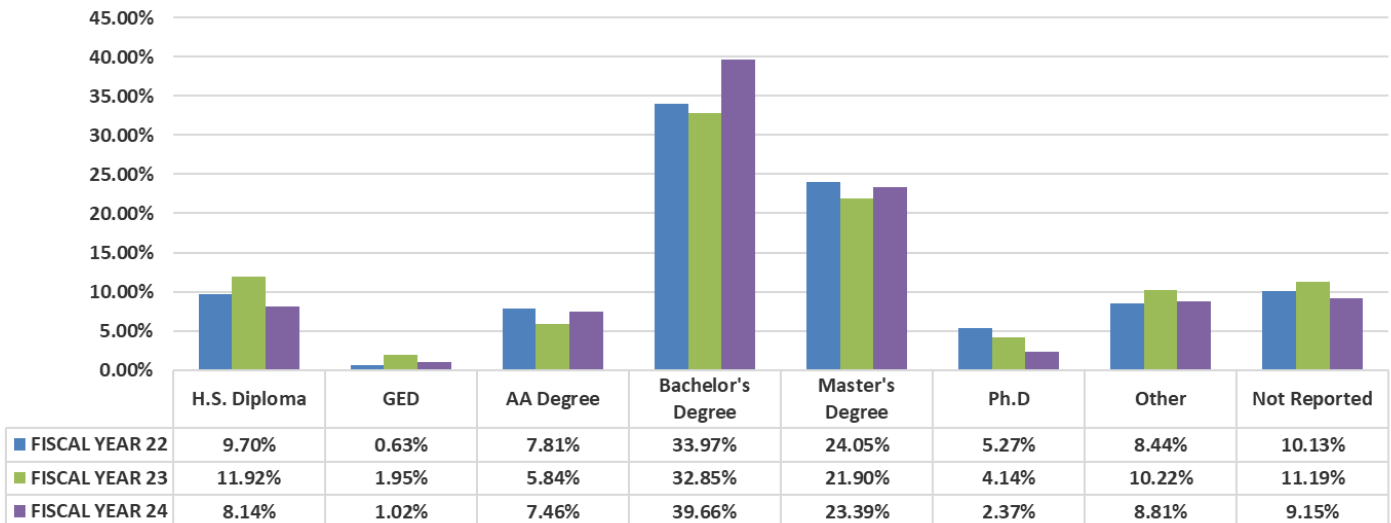
## Three Year Comparison



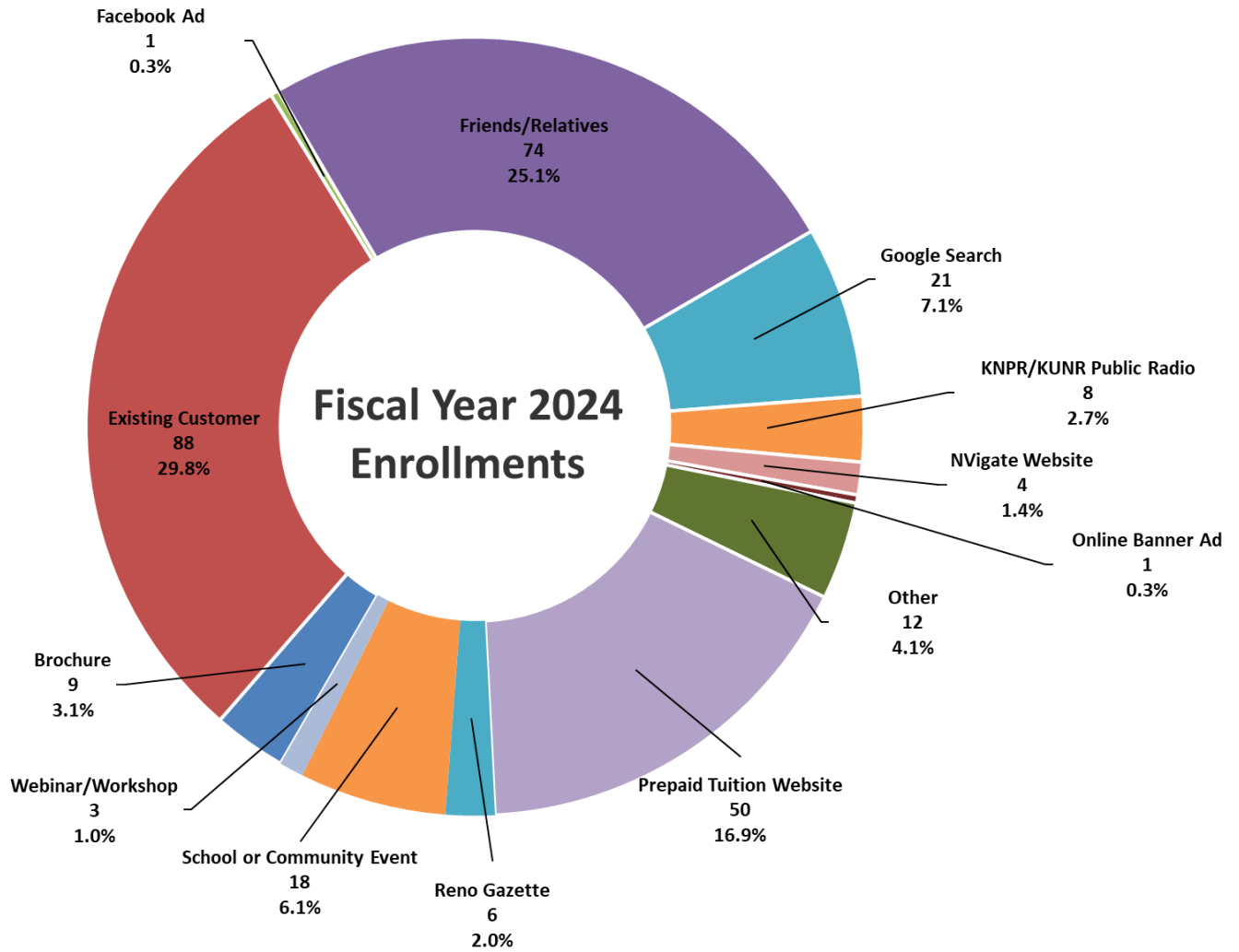
# PURCHASER'S EDUCATION LEVEL



## Three Year Comparison



# REFERRAL SOURCE



## Three Year Comparison

